

Job Training Partnership Act
CFDA Numbers:
Title II 17.250, Title III 17.246
Department of Labor & Workforce Development – Program 3

I. PROGRAM OBJECTIVE

The objective of the Job Training Partnership Act (JTPA) is to provide funds for programs to prepare youth and unskilled adults and dislocated workers for reentry into the labor force. These programs afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment and who are in need of such training to obtain productive employment. Also, these programs provide job training and basic readjustment services to dislocated workers.

This program uses federal pass through money and the audit should be conducted in accordance with federal audit requirements.

II. PROGRAM PROCEDURES

The Department primarily distributes funds to designated Service Delivery Areas (SDA's) established by the Governor under Title I of the Act. Under Title II-A of the Act, 77% of the state's allocation is provided to the SDA's for adult training activities; 5% of the state's allocation is available to the SDA's as incentive grants; 5% is available for training services to older workers; and, 8% is available for education coordination. The remainder of the allocation is used at the state level for administration (5%). Under Title II-B of the Act, all of the state's allocation is provided, by formula, to the SDA's for summer youth training services. Under Title II-C of the Act, 82% of the state's allocation is provided to the SDA's for year-round youth training activities; 8% is available for education coordination; 5% is available for incentive grants; and, 5% is used at the state level for administration. Under Title III of the Act, funds are available to the SDA's for retraining, readjustment, and other services to dislocated workers and funds are available for state activities.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED

Compliance Requirements

In the past, the Department has received approval from the U.S. Department of Labor waiving JTPA requirements for cost categories and cost limitations on

state administered Title II and Title III programs (except for National Reserve Account grants).

Auditors should determine whether the waivers were in effect during the period of review. Contact the Job Training Partnership Office for additional information and the effects of these waivers on these and other requirements.

Title II Funds can be expended for direct training services, administration, training related and supportive services in accordance with guidelines on allowable costs issued by the Governor. 20 CFR 627.440

Title III funds can be expended for retraining, administration, rapid response, basic readjustment, and needs related payments in accordance with guidelines on allowable costs issued by the Governor. 20 CFR 631.13

Unless waived by USDOL, under the allocation to the SDA's for Title II-A and Title II-C for adult and year round youth services, not less than 50 percent of the available funds are to be used for direct training services, and not more than 20% are to be used for administration costs. These limitations also apply to funds provided as incentive grants; funds for education coordination, and funds for older workers. These percentages are based on available funds, and not on expended funds.

Unless waived by USDOL, under the Title II-B allocation to the SDA's for summer youth training services, not less than 85 percent of the allocation can be expended for training and support services, and not more than 15 percent can be expended for administration costs. These percentages are based on available funds, and not on expended funds. (20 CFR 627.445(b)(3))

Unless waived by USDOL, under the Title III allocation to the SDA's for dislocated workers, a maximum of 15 percent may be expended for administrative costs; a maximum of 25 percent for needs related payments and supportive services to participants. A minimum of 50 percent of the Title III allocation must be used for retraining activities unless the governor has formally approved a waiver of this requirement. The remaining funds may be expended for basic readjustment services. Unlike the programs described previously, these percentages are based on expended funds and not on available funds.

Expenditures made for fixed unit price contracts do not need to be allocated or prorated according to the training, support and administration cost categories, however, certain other specific requirements exist. 20 CFR 629.38(e)(2)

No funds made available under Titles I, II-A, II-C, or III may be used for public service employment. 20 CFR 629.2

Suggested Audit Procedures

- Review the Governor's guidelines.
- Test expenditure and related records.
- Compare actual to maximum allowable cost.

B. ELIGIBILITY

Compliance Requirement

Each administrative entity is responsible for determining the eligibility of those enrolled in its programs. Administrative entities may delegate eligibility determinations if the delegation and related safeguards are approved by the Department. Eligibility requirements vary by program.

Eligibility requirements and guidelines are available from the state JTPA office of the Division of Community and Rural Development. Pub. L. 102-367, Sec. 141 (e); Sec. 203 (Title II-A); Sec. 254 (Title II-B); Sec. 263 (Title II-C); and, Sec. 301 (Title III)

Suggested Audit Procedures

- Review the eligibility determination system and evaluate for adequacy.
- Review selected participant files and determine the appropriateness of eligibility determinations.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

The Title II-A and II-C 8 percent program funds have matching requirements, which will be specified in the financial assistance agreements and in policy guidelines issued by the Department.

Suggested Audit Procedure

- Review the financial assistance agreements and official Department policy, identify any matching requirements, and verify that the matching funds were provided in the amount and manner specified.

D. REPORTING REQUIREMENTS

Compliance Requirement

The administrative policies issued by the state JTPA office require grant recipients to provide quarterly financial reports and participant statistical and

progress reports. The reporting requirements will be further specified in the contract agreements.

Suggested Audit Procedures

- Obtain copies of reports and determine completeness and timeliness of submission.
- Trace data in selected reports to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

Under Titles II and III of the Act, SDA's and other recipients are responsible for assuring that financial and compliance audits of subrecipients are completed. In accordance with federal requirements, this may include commercial organizations. 20 CFR 627.480

Suggested Audit Procedures

- Determine whether there is an SDA or recipient requirement set forth in policy or included in contracts and agreements, that applies to subrecipients of JTPA funds and that requires audits consistent with the federal audit standards and requirements.
- Review the manner in which the SDA or recipient assures that grantees are advised of federal audit requirements and assures that audits are obtained when required.
- Ascertain whether the SDA or recipient reviews the audit reports for JTPA grant subrecipients for adequacy of the audit and reported deficiencies and then follows up accordingly to assure corrective action is taken within 180 days of receipt of the audit report. Review the procedures and evaluate for adequacy.

Compliance Requirement

SDA's and other recipients shall submit an audit resolution report, documenting the disposition of reported questioned costs and other findings on a periodic basis. (State JTPA Office policy issuance)

Suggested Audit Procedures

- Review the audit resolution report.
- Select a sample of actions contained in the report and assess the disposition.

Compliance Requirements

Costs that are billed as a single unit charge do not have to be allocated or prorated among the several cost categories (training, Title III retraining

services, administration, and participant support), but may be charged entirely to training or retraining services when the agreement:

1. Is for training,
2. Is fixed unit price.

The U.S. Department of Labor discourages the use of fixed unit price agreements. If fixed unit price contracts are identified, the auditor should contact the Department to receive information on the restrictions applied to these grants.

Suggested Audit Procedures

- Review subrecipient agreements to determine if any fixed unit price contracts were administered by the recipient.
- Complete appropriate audit procedures to test whether or not the requirements for fixed unit price contracts were met.

Compliance Requirements

In the past, the Department has received approval from the U.S. Department of Labor waiving youth OJT wage requirements specified in the JTPA and related regulations. Auditors should determine whether the waiver was in effect during the period of review. Contact the Job Training Partnership Office for additional information.

Numerous conditions and restrictions for the use of On-the-Job-Training (OJT) contracts are established at 20 CFR 627.240. Copies of these regulations are available from the Department.

Suggested Audit Procedures

- Review the recipients' training agreements to determine if any are OJT contracts.
- Complete appropriate audit tests to determine whether or not the conditions and requirements for OJT contracts were met.

Modified 5/00